AGENDA

BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER HOLLY MITCHELL, CHAIR

TUESDAY, MAY 24, 2011
STATE CAPITOL, ROOM 4202
1:30 PM

DISCUSSION ITEMS

VOTE-ONLY ITEMS

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: MAY REVISION ESTIMATE CHANGES

The May Revision for the Department of Social Services (DSS) makes the following general requests for changes, conforming to caseload changes in programs and erosion effects off of savings adopted in the March package.

Local Assistance

Local assistance expenditures for the DSS are estimated to increase by a net amount of $126,187,000. This increase is comprised of $125,407,000 Federal Trust Fund, $20,701,000 Reimbursements, $796,000 Child Support Collections Recovery Fund, and $256,000 Emergency Food Assistance Fund, partially offset by a decrease of $20,973,000 General Fund.

May Revision Caseload Adjustments

The May Revision proposes a net increase of $41,537,000 (increases of $92,500,000 Federal Trust Fund, $796,000 Child Support Collections Recovery Fund, and $256,000 Emergency Food Assistance Fund, partially offset by decreases of $11,036,000 General Fund and $40,979,000 Reimbursements), due to the impact of caseload and workload changes since the Legislature's passage of SB 69, as displayed in the following table:

Program	Item	Change from SB 69
CalWORKs / Kin-GAP	5180-101-0001	-$26,678,000
	5180-101-0890	$59,042,000
	5180-601-0995	-$202,000
Foster Care	5180-101-0001	-$9,194,000
	5180-101-0890	-$7,107,000
	5180-101-8004	$796,000
	5180-141-0001	-$1,890,000
	5180-141-0890	-$2,001,000
Adoption Assistance Program	5180-101-0001	-$5,345,000
	5180-101-0890	$399,000
Supplemental Security Income/State Supplementary Payment (SSI/SSP)	5180-111-0001	$18,563,000

Program	Item	Change from SB 69
In-Home Supportive Services (IHSS)	5180-111-0001 5180-611-0995	-$1,025,000 -$39,261,000
Child Welfare Services (CWS)	5180-151-0001 5180-151-0890 5180-651-0995	-$3,445,000 -$8,948,000 $681,000
Other Assistance Payments	5180-101-0001 5180-101-0122 5180-101-0890	$1,360,000 $256,000 -$1,298,000
County Administration and Automation Projects	5180-141-0001 5180-141-0890 5180-641-0995	$17,188,000 $52,382,000 -$5,610,000
Title IV-E Waiver	5180-153-0001	$134,000
Remaining DSS Programs	5180-151-0001 5180-151-0890 5180-651-0995	-$704,000 $31,000 $3,413,000

IHSS Medical Certification Requirement (Savings Erosion)—Issue 102

An increase of $132,356,000 ($52,987,000 General Fund and $79,369,000 Reimbursements) is requested to reflect a loss of savings associated with the IHSS medical certification requirement, as enacted by Chapter 8, Statutes of 2011 (SB 72). This increase is primarily attributable to a revised methodology that estimates savings based on a phased-in implementation and a one-month implementation delay (from July 1, 2011 to August 1, 2011).

Informational Issues

The following issues are informational only; no associated dollar change is requested in the DSS budget. The May Revision caseload projection for California Work Opportunity and Responsibility to Kids (CalWORKs) is higher in both 2010-11 and 2011-12 compared to SB 69, as passed by the Legislature. In addition, there are erosions to the savings estimates for various CalWORKs reductions recently adopted in SB 72. The net effect is increased costs for CalWORKs in the current year and budget year compared to SB 69, as passed by the Legislature. Because of the federally-required TANF maintenance-of-effort, these increases generally do not impact the amount of General Fund spent on CalWORKs; rather they result in more TANF Block Grant funds being spent in the DSS budget on the CalWORKs program. Consequently, less TANF

Block Grant funds are available to offset General Fund costs within the CSAC budget for Cal Grants (refer to Item 7980-101-0001, Issues 015 and 016).

Various Enacted CalWORKs Solutions (Savings Erosion)—Issue 502

The 2011-12 May Revision includes an increase of $67,346,000 due to a net loss of savings associated with various CalWORKs reductions recently enacted in SB 72. This net increase in costs consists of the following components:

- An increase of $40,902,000 to reflect decreased savings associated with reducing the CalWORKs time limit for adults from 60 to 48 months. Additional research and the utilization of a more accurate data source by the DSS resulted in a significant reduction to the estimated number of cases with an aided adult who has reached (or will reach) the 48-month time limit.

- An increase of $44,747,000 primarily to reflect delayed implementation (from June 1, 2011 to August 1, 2011) of the 48-month time limit for adults, incremental grant reduction for child-only cases, and the earned income disregard reduction.

- A net decrease of $18,303,000 associated with the 8-percent grant reduction. The DSS recently determined that quarterly reporting rules allow a mid-quarter grant reduction. This results in increased savings, partially offset by a one-month implementation delay (from June 1, 2011 to July 1, 2011).

Staff Comment and Recommendation:

Staff recommends splitting the vote on this issue in the following way:

- Approval of the DSS May Revision Caseload and Estimate Changes.

- Approval of the DSS May Revision Erosion Effects.

The approval of these overall estimates and funding changes is intended to conform to any changes made elsewhere in the DSS budget.

ISSUE 2: FIELD MONITORING AND OVERSIGHT OF COUNTY OPERATIONS (BCP #20)

Background on Subcommittee Consideration. This item was heard previously by the Subcommittee on January 27, 2011 and was Denied Without Prejudice (DWP), and as such was additionally considered May 4, 2011 and held open with a general request made to the Department to return to the Subcommittee at May Revision with a revised request overall on positions given the volume of requests made and outstanding questions posed to the DSS on positions within divisions, functions, and possible internal reorganization.

BCP Request. Briefly (please see past agendas for additional detail), the Department requests seven (7.0) permanent positions to perform field monitoring of county programs, for a cost of $837,000 ($279,000 GF). DSS states that this proposal would avoid sanctions from the Administration on Children and Families (ACF) related to monitoring and oversight of county operations.

Staff Comment and Recommendation:

In the absence of a revised proposal and with outstanding questions on DSS positions remaining, the nature of the continuing fiscal crisis compels staff to recommend rejection of the BCP request at this time.

ISSUE 3: SOLANO COUNTY COMMUNITY CARE LICENSING WORKLOAD TRANSFER (ISSUE 601 AND BCP #86)

Background. The licensing program in the DSS is a regulatory enforcement program with responsibility for protecting the health and safety of children and adults residing or spending a portion of their time in out-of-home care. In particular, Foster Family Homes (FFHs) provide 24-hour non-medical care (medical care is permitted under certain circumstances) in the licensee's family residence for not more than six foster children. These facilities must meet minimum licensing standards specified in the Health and Safety Code and Title 22 regulations in order to provide care.

May Revision Request. The authority responsible for operating the licensing program is the Community Care Licensing Division (CCLD). In FY 2011-12, CCLD expects to license and monitor about 3,212 FFHs that serve a total of 7,915 children. Counties under contract with CCLD license another 7,019 FFH facilities.

Solano County has indicated that it will terminate its contract effective June 30, 2011, and return its licensing program to DSS. To manage the caseload received from Solano County, CCLD requests 0.5 Licensing Program Analyst (LPA) position to be established July 1, 2011. The number of staff requested is based on established caseload standards. This augmentation to State Operations, which is an increase of $43,000 ($27,000 General Fund and $16,000 Federal Trust Fund), will be offset by a reduction of $94,000 ($61,000 General Fund and $33,000 Federal Trust Fund) in Local Assistance funding.

Staff Comment and Recommendation:

Given the workload shift caused by the transfer back to the state, staff is recommending approval of this request.

ISSUE 4: ELIMINATE THE CONTINUING CARE ADVISORY COMMITTEE (ISSUE 838)

Background. The Continuing Care Advisory Committee (CCAC) consists of 11 members appointed by the Governor, the Senate Rules Committee, the Speaker of the Assembly, and other CCAC members for two-year terms. The CCAC is responsible for advising the Continuing Care Contracts Branch, Community Care Licensing Division, within DSS concerning matters in the continuing care industry.

The CCAC meets three or four times per year and members are paid a $25 stipend for each meeting attended, and are reimbursed for their actual travel expenditures. The costs of the CCAC are paid from an account that is funded by annual provider fees and new project application fees.

The CCAC was identified in the process created by AB 1659 (Huber, Chapter 666, Statues of 201) and AB 2130 (Huber, Chapter 670, Statutes of 2011) as a state agency that should sunset, and was scheduled to do so on January 1, 2013.

May Revision Request. The Governor proposes to sunset the CCAC one year earlier than the Huber process dictated, moving the sunset date instead to January 1, 2012. The May Revision states that this change is consistent with the Governor's efforts to realign government and focus on core functions to meet the public's needs.

Staff Comment and Recommendation:

No issues have been raised with this proposal, and as the CCAC is set to expire in 2013 as is, staff is recommending approval of the request to sunset the CCAC one year earlier in trailer bill.

ISSUE 5: SUSPEND AB 2084 CHILD CARE NUTRITION (ISSUE 839)

Background. AB 2084/Brownley (Chapter 593, Statutes of 2011) requires licensed child day care facilities to a) serve only low fat or nonfat milk to children ages two or older; b) limit juice to not more than one serving per day of 100% juice; c) serve no beverages with added sweeteners, either natural or artificial; and d) make clean and safe drinking water readily available and accessible for consumption throughout the day.

The provisions of this bill will become operative on January 1, 2012, and the bill specifies that DSS inspect these facilities for compliance during regularly scheduled inspections.

May Revision Request. The Governor proposes to suspend enforcement of AB 2084 until the necessary funds are appropriated. DSS had requested $69,000 (GF) and 1.5 Licensing Program Analyst (LPA) positions to check during annual on-site inspections that the new standards are met. Due to the state's current fiscal situation, the Administration is no longer pursuing the associated Budget Change Proposal (BCP #51 – Implementing Recently Enacted Legislation.)

Staff Comment and Recommendation:

Understanding the issues regarding resources raised by the administration, the administration has not presented information on the real impediments to illustrate how the additional facet to inspection creates new workload that cannot be absorbed in the current inspection process.

Due to this, staff is recommending rejection of this suspension request and the associated trailer bill.

ISSUE 6: CMIPS II: ONE YEAR EXTENSION OF LIMITED-TERM POSITIONS (ISSUE 081, BCP #81, AND BCP #6)

Background on Subcommittee Consideration. This item was heard previously by the Subcommittee on January 27, 2011 and was Denied Without Prejudice (DWP), and as such was additionally considered May 4, 2011 and held open with a general request made to the Department to return to the Subcommittee at May Revision with a revised request overall on positions given the volume of requests made and outstanding questions posed to the DSS on positions within divisions, functions, and possible internal reorganization.

Prior Request. DSS requests a one year extension of four (4.0) existing Limited Term (LT) positions at a total cost of $467,000 ($233,000 General Fund) in 2011-12 to support CMIPS II activities which include Implementation and Maintenance and Operations efforts, as well as providing support for the In-Home Supportive Services (IHSS) program CMIPS II functions within the Department. The positions include three Associate Governmental Program Analyst (AGPA) positions in the Adult Programs Division (APD), as well as one Staff Counsel III in the Legal Division. The one-year extension of these positions will ensure CMIPS II staff continues to provide oversight of all phases of the CMIPS II project according to the schedule timeframes and milestones. These positions are currently set to expire in June 2011.

DSS states that these requested resource are vital for a successful transition of the CMIPS II system from the Legacy CMIPS system, in place since 1979 and operated continuously by the same vendor, in order not to disrupt services or payroll to the many recipients who depend on it. The implementation of the CMIPS II system, which is currently in progress, will begin to move into the Maintenance and Operations phase in FY 2010-11 and will require long term, active oversight to ensure the interests of the state are being met. DSS asserts that positions familiar with the program are crucial to maintaining CMIPS II, an intricate system integral to the viability of the IHSS program.

May Revision Request. An increase of $456,000 ($228,000 General Fund and $228,000 Reimbursements) is requested for a one-year extension of an additional 4.0 limited-term positions to support implementation of the CMIPS II. Primarily as a result of significant programmatic changes to the In-Home Supportive Services (IHSS) program enacted in fiscal year 2009-10, the CMIPS II project is currently 18 months behind schedule, with pilot activities expected to begin October 2011 and full implementation scheduled for January 2013. These positions provide critical support for CMIPS II activities and the associated IHSS programmatic expertise necessary to ensure successful project implementation.

Staff Comment and Recommendation:

With the delay of CMIPS II implementation imminent and in mind, as well as the extensive IHSS program changes enfolded into recent budgets, staff recommends approval of these two requests, for a total extension of eight limited-term positions for one additional year.

ISSUE 7: IMPLEMENTING AB 12 (BCP #50)

Background on Subcommittee Consideration. This item was heard previously by the Subcommittee on January 27, 2011 and was Denied Without Prejudice (DWP), and as such was additionally considered May 4, 2011 and held open with a general request made to the Department to return to the Subcommittee at May Revision with a revised request overall on positions given the volume of requests made and outstanding questions posed to the DSS on positions within divisions, functions, and possible internal reorganization.

Prior Request. The Department is requesting $1,559,000 ($867,000 GF), 7.0 permanent positions, and 4.0 two-year limited-term positions, as well as funding for temporary help. These additional positions and funding will assist the state in implementation of AB 12, which will provide additional access to Federal Financial Participation (FFP) for extending the age of foster care to age 21 and will allow states to draw down FFP for relative guardianships.

Briefly, AB 12 created substantial changes to the foster care system by expanding the eligibility for foster care up to age 21 to align with the five criteria in PL 110-351 to include those foster youth who are: 1) finishing secondary education, 2) attending college, 3) working full or part time, 4) participating in an employment program or 5) incapable of meeting the aforementioned criteria due to a documented disability. This creates a new population of foster youth referred to as non-minor dependents. In essence, AB 12 creates a new program for non-minor dependents as they are allowed to live in placement settings that are unique to their population and are not a traditional foster care placement.

May Revision Request. No changes to this request were submitted for the Subcommittee's review and consideration.

Staff Comment and Recommendation:

Without a downscaled alternative, and with the future option of considering one at Governor's Budget in January 2012, staff recommends denial of the BCP at this time.

ISSUE 8: TITLE IV-E WAIVER 2008-09 CARRYOVER (ISSUE 602)

Background. On March 31, 2006, the federal Department of Health and Human Services approved the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project (CAP). The approved waiver allows Title IV-E funds, which are restricted to board and care costs and child welfare services administration, to be used for services and support, to avoid over reliance on out-of-home care, and expeditiously reunify families. The intent of the CAP is to test a "capped allocation" strategy which would block grant a portion of the federal Title IV-E and General Fund administrative and assistance costs. The carryover of unexpended funding is another fiscal benefit afforded under the Title IV-E Waiver.

May Revision Request. In line with the conditions of the Waiver, the administration requests an increase of $53,708,000 ($23,678,000 General Fund and $30,030,000 Federal Trust Fund) to reflect unexpended funding from 2008-09 that the counties participating in the Title IV-E Waiver are allowed to retain. Pursuant to Welfare and Institutions Code section 18260, unexpended Waiver County funds from prior fiscal years shall be available for expenditure in subsequent fiscal years. Because these funds had been previously reflected as savings, it is necessary to build in new funds for 2011-12.

Staff Comment and Recommendation:

No issues have been raised with this request and staff is recommending approval.

ISSUE 9: FOSTER CARE AUDITS ACCOUNTABILITY AND GROUP HOME LITIGATION (BCP #10)

Background on Subcommittee Consideration. This item was heard previously by the Subcommittee on January 27, 2011 and was Denied Without Prejudice (DWP), and as such was additionally considered May 4, 2011 and held open with a general request made to the Department to return to the Subcommittee at May Revision with a revised request overall on positions given the volume of requests made and outstanding questions posed to the DSS on positions within divisions, functions, and possible internal reorganization.

Prior Request. The Department is requesting $101,000 ($64,000 GF) and 1.0 two-year limited term General Auditor (GA) III position in FCARB to address the impact of the recent court order resulting from the Alliance lawsuit that required the DSS to increase group home rates by 32 percent. The GA III position is necessary because, as a result of the increased rates, a large number of non-profit corporations' combined federal revenues will increase to over $500,000 and will require submission of a FAR once a year (annually), instead of once every three years (triennially).

DSS states that this proposal is necessary to manage the increased workload in submission of FARs that will be submitted to DSS as a result of the approximate 32 percent increase in group home rates imposed by a court order in the Alliance lawsuit. DSS estimates that 116 additional FARs will be submitted annually to DSS, which will require review and issuance of Management Decision Letters within six months of receipt of a FAR, as mandated by the federal Office of Management and Budgets (OMB) Circular A-133. In addition, DSS states that this proposal would bring the State into compliance with existing federal and state statutes and avoid federal audit sanctions by providing oversight responsibility of non-profit corporations to ensure their financial stability. The lack of staff resources to review the additional FARs could jeopardize the approximately $721 million in Title IV-E funds received by California annually for group home and FFA programs.

Staff Comment and Recommendation:

Understanding the issues raised by the administration, the administration has not responded to outstanding questions posed to the DSS on positions within divisions, functions, and possible internal reorganization.

Due to the imbalance of existing authorized already positions within the Children and Family Services Division and the continuing fiscal crisis, staff is recommending rejection of this request.

ISSUE 10: ADOPTIONS ASSISTANCE PROGRAM OVERPAYMENT RATIO (ISSUE 833)

Background. SB 84/Committee on the Budget (Chapter 177, Statutes of 2007) required DSS to implement processes, procedures and solutions to comply with federal reporting requirements for federal Title IV-E and adoption assistance overpayments. SB 84 also required DSS to develop regulations to provide guidance and authority to counties to identify, track and collect AFDC-FC overpayments to foster care providers. The regulation development and implementation was as a result of federal notification that California was out of compliance with the Improper Payments Information Act of 2002. SB 84 incorrectly identified the Adoption Assistance Program sharing ratio in Welfare and Institutions Code Section 11466.23.

May Revision Request. The administration proposes to correct the sharing ratios for remittance of overpayment of, federal Kin-GAP funds and federal AAP funds. Counties will be required to remit an incorrect non-federal sharing ratio for AAP overpayments if this statute is not corrected. SB 84 incorrectly identified the AAP sharing ratio in WIC Section 11466.23. The trailer bill proposal forwarded by the administration corrects that error and also reflects the new federal Kin-GAP program.

Staff Comment and Recommendation:

No issues have been raised with this request and staff is recommending approval of the trailer bill request.

ISSUE 11: DELAY IMPLEMENTATION OF FOSTER YOUTH IDENTIFY THEFT PROGRAM (ISSUE 834)

Background. AB 2895/Maze, (Chapter 385, Statutes of 2006) requires a county welfare department (CWD) to request a credit check from a credit reporting agency for every foster child upon his/her 16th birthday. The credit check disclosure required by AB 2985 is to help determine whether the youth has been the victim of identity theft. This requires sending the names of all 16 year old foster youth to the three credit reporting agencies. When a credit report contains negative information or evidence of identity theft, the CWD must refer the child to an approved credit counseling organization from a list developed by DSS, in consultation with the County Welfare Directors Association and other stakeholders.

To date, DSS has led a work group to develop a workable process for social workers and probation officers to request the credit reports in the most effective and efficient manner. The workgroup included San Diego and Los Angeles counties, Los Angeles Department of Consumer Affairs, the Office of Privacy Protection (OPP), the Administration Office of the Courts (AOC), and several non-profit organizations that educate people on identity theft and help to clear their credit report. After coordinating with the three national credit reporting agencies, DSS learned in the workgroup discussions that the credit reporting agencies automatically reject requests for credit reports for children under age 18. Therefore, additional intervention is required by social workers to identify the child as a child in foster care and secure the credit report through a separate approval process. To DSS' knowledge, counties have not implemented AB 2985 pending the issuance of an All-County Letter (ACL) containing implementation guidance. This ACL has not been completed. After AB 2985 was signed, implementation was delayed for one year due to budget constraints in Fiscal Year (FY) 2007-08; funds were appropriated and allocated to counties in FY 2008-09; and funds were appropriated but not allocated in FY 2009-10; there was no appropriation in FY 2010-11. While no resources were allocated to DSS to implement the measure, DSS has since convened a workgroup as required by the bill. However, given the ongoing budget situation and the significant workload demands on DSS staff at this time, DSS cannot further implement the measure and it is recommended that the provisions of AB 2985 be suspended.

May Revision Request. The FY 2011-12 May Revise reflects the suspension of the provisions of AB 2895/Maze, (Chapter 385, Statutes of 2006) and proposed trailer bill language to effectuate this. This reflects savings of $0.3 million General Fund. The administration argues that suspension of this legislation does not prevent social workers or probation officers from conducting these credit checks nor does it prevent youth themselves, or their caregivers, from conducting these checks. The credit checks may be included as a goal in the youth's Transitional Independent Living Plan.

Staff Comment and Recommendation:

A recommendation is pending on this proposal.

ISSUE 12: DELAY IMPLEMENTATION OF THE RESOURCE FAMILY APPROVAL PILOT (ISSUE 835)

Background. In 2002, the state's child welfare system was reviewed by the federal government and found deficient in several areas, including the safety and stability of children in foster care and length of time it takes for these children to reach a permanent home when they cannot return to their parents.

Failing to meet the federal requirements resulted in fiscal penalties to the state unless the state completed a Program Improvement Plan (PIP). As part of the PIP, DSS agreed to develop a legislative proposal for an improved caregiver assessment process that would combine foster care licensing, relative approvals, and adoption home studies. To this end, DSS and the County Welfare Directors Association (CWDA) worked for over three years to develop a proposal to revamp the process and standards by which individuals who were interested in caring for children in foster care are determined suitable. This work resulted in AB 340 (Chapter 464, Statutes of 2007), which created the Resource Family Approval (RFA) pilot program to establish a process to replace the existing multiple processes for licensing foster family homes and assessing/approving relative caregivers, non-relative extended family members (NREFM), adoptive applicants and prospective guardians.

DSS has only been able to initiate preliminary implementation activities of this pilot, but is unable to go further due to resource limitations.

May Revision Request. The May Revise proposes to suspend the activities associated with the RFA pilot. A BCP for 2008-09 that proposed to implement the Resource Family Approval (RFA) pilot was denied by the Legislature, however, minimal resources were authorized for 2010-2011. DSS has no resources to redirect to this activity for the length of the pilot and existing staff have been temporarily redirected for other mandated activities. Therefore, the proposed TBL would immediately suspend the Resource Family Approval Pilot program for one year.

Although not directly tied to a BCP or estimate change, the administration states that this language results in cost avoidance associated with the suspended implementation of the Resource Family Approval pilot (RFA), of $0.7 million General Fund in FY 2010-11, and $0.5 million in FY 2011-12.

Staff Comment and Recommendation:

A recommendation is pending on this proposal.

ISSUE 13: EXTEND MORATORIUM ON GROUP HOME APPLICATIONS (ISSUE 837)

Background. Assembly Bill 1612/Committee on the Budget (Chapter 725, Statutes of 2011) authorized a moratorium on the acceptance and processing of group home rate applications for new programs, new providers, program changes, and program reinstatements. The Rates Moratorium was established in order to redirect staff to develop rates for the Multidimensional Treatment Foster Care (MTFC)/Intensive Treatment Foster Care (ITFC) programs.

DSS may grant exceptions to the moratorium on a case-by-case basis, upon the submission of a written request and supporting documentation justifying an exception, provided to the DSS by a county welfare or probation director.

May Revision Request. DSS is requesting an additional year on the moratorium to develop the rates regulations for the MTFC/ITFC program. To date DSS has received nine (9) exceptions to the moratorium, four (4) capacity increases; one (1) rate increase; three (3) new providers; and one (1) new program. All of the exceptions have been granted. DSS has also surveyed counties regarding the moratorium impact to placements. Ten counties responded to the survey. Six of the 10 counties indicated no problems were caused by the moratorium; four counties indicated they continued to have problems placing high needs children; four counties indicated they had benefited from the moratorium; and four counties saw neither a benefit or detriment from the moratorium.

There is no BCP associated with the group home rate moratorium; however, DSS asserts, the establishment of the ITFC/MTFC rates structure will benefit counties and foster children as it provides a means to recruit and retain higher needs foster home placement options as opposed to congregate care.

Staff Comment and Recommendation:

No issues have been raised with this trailer bill request and staff is recommending approval.

ISSUE 14: RESTORE BASE FUNDING TO CALWORKS STAGE ONE CHILD CARE (ISSUE 503)

Background. The March 2011 budget package included a significantly reduced funding level for the CalWORKs "single allocation," which funds employment services and child care for participants. Corresponding to the $427 million GF reduction in the 2011-12 fiscal year, language was approved to extend and expand upon exemptions from welfare-to-work requirements for parents of very young children (i.e., one child up to the age of 35 months or two children under the age of six years).

May Revision Request. The May Revision includes an increase of $32,161,000 to restore costs for Stage One child care services and administration associated with the one-year extension of the CalWORKs short-term reforms. The proposed Governor's Budget assumed the short-term reforms would expire on June 30, 2011 and reflected resulting costs for Stage One in 2011-12, partially offset by savings based on a three-month phase-in of cases reengaging in work activities and needing child care. SB 69, as passed by the Legislature, includes a one-year extension of the short-term reforms (through June 30, 2012), and the Stage One costs were reversed; however, the phase-in savings were erroneously retained. Therefore, a technical adjustment is necessary to reflect the appropriate level of base funding for Stage One child care.

Staff Comment and Recommendation:

Staff recommends approval of the request.

ISSUE 15: SSI/SSP SB 72 CLEAN-UP (ISSUE 844)

May Revision Request. The administration is requesting a small item of clean-up in the section of SB 72, the most recent Human Services Budget Trailer Bill, that dealt with the reduction of the grant for SSI/SSP individuals to the federal minimum. The revision is isolated to the inclusion of a comma as indicated below.

Paragraph (b) of Section 12200.03 of the Welfare and Institutions Code is amended to read (addition of comma appears in the middle of the third line):

> *(b) Notwithstanding subdivision (a), in no event shall the payment schedules be reduced below the level of the state's Marc 1983 payment standards, as adjusted by the federal Social Security Administration, pursuant to Section 416.2096(b) of Title 20 of the Code of Federal Regulations.*

Staff Comment and Recommendation:

Staff recommends approval of the trailer bill request.

DISCUSSION ITEMS

0530 OFFICE OF SYSTEMS INTEGRATION (HEALTH AND HUMAN SERVICES AGENCY)
5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: SUSPEND LEADER REPLACEMENT SYSTEM (ISSUE 603)

Background. Los Angeles County currently utilizes the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) system to perform eligibility and benefit determination for CalWORKs, CalFresh, Medi-Cal, General Relief and various smaller social services programs. LEADER was originally conceptualized in 1990. Development and implementation of LEADER was completed between 1995 and 2001. Because LEADER is a system based on a 25 year old technology and has been used for approximately 15 years, its cost-effectiveness and usefulness compared to automation provided by current technology is considered insufficient and ill-suited for future system demands resulting from changes in law.

As a result, planning for the LEADER Replacement System (LRS) project was initiated in July 2005. LRS was designed to leverage the latest advances in Web standards and open platforms, and minimize the County's dependence on a particular vendor or proprietary technology. The evaluation and selection process for a vendor was concluded in July 2009. Contract negotiations were completed in May 2010 and the start of Development and Implementation is pending Federal approval.

May Revision Request. The administration proposes an indefinite suspension of LRS, for General Fund savings in 2011-12 of $26.7 million. This project suspension is proposed to address the remaining budget shortfall since the Legislature's passage of SB 69.

PANEL

- Department of Social Services and Office of Systems Integration

  Please describe the administration's proposal and the expected use of remaining funding for LRS in 2011-12.

- Department of Finance
- Legislative Analyst's Office
- Public Comment

Staff Comment and Recommendation:

Staff recommends the following:

1. That the Subcommittee take action to sweep $14.1 million GF that was budgeted for LEADER in 2010-11, via the addition of the following Budget Bill Language:

   "5180-495- Reversion, Department of Social Services. As of June 30, 2011, the balances specified below, of the appropriations provided in the following citations shall revert to the balance in the fund from which the appropriations were made:
   0001- General Fund
   (1) Item 5180-141-0001, Budget Act of 2010 (Ch. 712, Stats. 2010). Up to $14,062,000 appropriated in Program 16.75 – County Administration and Automation Projects."

2. Further, that the Subcommittee approve a delay in the development of LRS in the budget year, with corresponding savings of approximately $13 million GF for 2011-12, and any attendant technical changes that are required to effectuate this reduction.

ISSUE 2: SUSPEND THE CHILD WELFARE SERVICES/CASE MANAGEMENT SYSTEM WEB (CWS/WEB) PROJECT (ISSUE 603)

Background. California's CWS system includes a variety of state-supervised, county-administered interventions designed to protect children. Major services consist of emergency response to reports of suspected abuse and neglect, family maintenance or reunification, and foster care. The Child Welfare Services/Case Management System (CWS/CMS) is the existing automated system that provides case management capabilities for CWS agencies, including the ability to generate referrals, county documents, and case management and statistical reports.

The CWS/CMS system was implemented statewide in 1997, and OSI has stated that CWS/Web is necessary because the CWS/CMS technology is outdated. In addition, OSI and DSS report that the CWS/Web system will increase efficiency and better comply with federal system requirements (which are tied to federal funding). The CWS/Web project is currently in a planning stage, preparing for a full implementation after development ends in 2014. When CWS/Web is completed, the system will rely on a more modern, web-based technical architecture.

May Revision Request. The administration requests an indefinite suspension of CWS/Web, for General Fund savings in 2011-12 of $3.1 million. The federal Administration for Children and Families has recently indicated that it intends to revise its requirements for the statewide automated child welfare information system. The CWS/Web Project is in the planning and procurement phase, and is currently scheduled to move to the system design and implementation phase in 2012-13, which will require significant additional resources. In light of the change in federal direction and to address the remaining budget shortfall since the Legislature passed SB 69, this project suspension is proposed as a General Fund solution.

PANEL

- Department of Social Services and Office of Systems Integration

  Please describe the administration's proposal and the expected use of remaining funding for CWS/Web in 2011-12.

- Department of Finance

- Legislative Analyst's Office

- Public Comment

Staff Comment and Recommendation:

Staff recommends approval of the proposed suspension of CWS Web given the evolving federal requirements toward which any new system would be designed.

In tandem with this halting of the current procurement, and in recognition of the continuing needs under the CWS/CMS M&O, staff additionally recommends adoption of placeholder trailer bill language directing DSS, in partnership with OSI and stakeholders, including Legislative staff and counties, to complete the following and provide an update to the Legislature by January 1, 2012:

1. Determine and describe the degree to which the CWS/CMS system:

    a. Is in compliance with current law, regulation, and policy.

    b. Supports current Child Welfare Services practice, including but not limited tokey Child Welfare Service functions, ease of access to case and service information, multidisciplinary case management, and ease of use.

    c. Links to information that enhances investigation, case management, or efficiency.

    d. Provides ready access to data for reporting, planning, management, and program outcome monitoring.

2. Determine the best approach to address any missing functionalities that are critical to CWS operations. Options shall include building functionality into the current CWS/CMS system, restarting the CWS/Web procurement, or developing a new procurement.

3. Assess and report on communication from the federal government regarding requirements of the system, both by the January 1, 2012 deadline and thereafter when there is additional direction on federal expectations.

4. Recommend next steps, including a timeline, for implementing the recommended approach or approaches.

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: IHSS ENACTED TRAILER BILL (BCP #53)

Background on Subcommittee Consideration. This item was heard previously by the Subcommittee on January 27, 2011 when action was taken to reject the portion of the BCP (6.0 requested positions and associated funding) associated with the implementation of the fingerprinting requirement for recipients and Deny Without Prejudice the balance of the BCP. The balance of the BCP, requesting 17.5 positions, was Denied Without Prejudice (DWP), and as such was additionally considered May 4, 2011 and held open with a general request made to the Department to return to the Subcommittee at May Revision with a revised request overall on positions given the volume of requests made and outstanding questions posed to the DSS on positions within divisions, functions, and possible internal reorganization.

The remaining positions requested and the associated functions are displayed in this table.

TBL	Division	Qty	Classification	LT/Permanent Positions
ATB 3.6% Reduction	APD	1.0	AGPA (LT)	LT thru 6/30/12
	LEGAL	1.0	SC III (Spec)	LT thru 6/30/12
	subtotal	**2.0**		
Provider Exclusions	APD	3.0	AGPA (LT)	LTs thru 6/30/12
	CCLD	1.0	AGPA	LT thru 6/30/13
		0.5	OT	LT thru 6/30/13
	LEGAL	1.0	SC III (Spec)	LT thru 6/30/13
		1.0	Sr. Legal Analyst	LT thru 6/30/13
		1.0	Legal Typist	LT thru 6/30/13
		1.0	SC III (Spec)	LT thru 6/30/13
	subtotal	**8.5**		
Provider Fee	APD	1.0	SSM I	LT thru 6/30/12
		4.0	SSA/AGPA	Approve 1.0 Perm and 3.0 LTs thru 6/30/12
		1.0	AssocMgmt Auditor	Perm
	ADM	1.0	AA I (Spec)	Perm
	subtotal	**7.0**		
TOTAL		**17.5**		

PANEL

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

Staff Comment and Recommendation:

The administration has been persuasive in requesting resources for enormous programmatic changes in IHSS that have been enfolded into recent budget packages. When divisions within DSS are viewed side by side, there is significant disparity in staffing, with a much reduced number for Adult Programs, compelling staff to recommend some resources in this area.

Therefore, staff recommends the approval of 4.0 total two-year limited-term positions in response to this request, with 2.0 of these dedicated to the Provider Fee policy and 2.0 to the Provider Exclusions policy implementation.

ISSUE 2: PUBLIC AUTHORITY ADMINISTRATIVE ALLOCATION

Background. Under state law, a county board of supervisors may elect to establish a PA to provide for specified functions related to the delivery of IHSS. The PAs are separate entities from the county in which they operate. PAs are the employers of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. IHSS recipients, however, retain the right to hire, fire, and supervise the work of any IHSS worker providing services to them. PAs also provide at least the following functions: 1) assistance to recipients in finding IHSS providers through the establishment of a registry; 2) investigation of the qualifications and background of potential providers; and 3) training for providers and recipients.

May Revision and Budget Request. The Administration proposes, as part of the May Revision, to reduce the funding for IHSS Public Authorities (PAs) by $7.7 million ($2.2 million GF). There are 52 PAs in the state that cover 56 counties. Including the impact of the proposed reductions, the total statewide PA funding would include $17.0 million ($6.6 million GF).

PA rates are county-specific and are computed by multiplying case-months by the average hours per case by the administrative hourly rates for each PA (established based on hourly wages, employer taxes, benefits, and administrative costs). Since 2009-10, the rates established by these formulas have, however, been reduced by 20 percent, as approved in the 2009-10 budget [in AB X4 1 (Chapter 1, Statutes of 2009, Fourth Extraordinary Session)]. In addition, the rates have been reduced by $8.7 million GF and corresponding other funds, as a result of Governor Schwarzenegger's 2009-10 veto of that amount of PA funding. The impacts of that veto were continued in the 2010-11 budget and are proposed to again be included in the 2011-12 budget.

The total funding for PAs in recent years and as proposed for 2011-12 include approximately:

	2008-09	**2009-10**	**2010-11**	**2011-12 March Budget**	**2011-12 May Revise**
GF (000s)	21,800	10,000	9,700	8,900	6,600
Total Funds (000s)	60,700	27,100	27,200	24,700	17,000

According to the Administration, the proposed reductions from March to the May Revision are tied to the impacts of decreased caseload estimates since the Governor's January budget proposal.

According to the California Association of Public Authorities, the proposed level of funding for PAs in the May Revision would mean that some PAs would have insufficient funds to pay rent, basic bills and personnel costs while complying with their mandated functions. CAPA proposes a restoration to the March level of PA funding, as well as the development of a replacement methodology for PA funding allocations.

PANEL

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

Staff Comment and Recommendation:

Staff recommends rejecting the proposed May Revision reduction to Public Authorities' Administration funding. Funding for PAs would thus remain at the level included in SB 69 as it was passed by the Legislature in March (approximately $24.7 million total funds, with $8.9 million GF).

Staff is considering a trailer bill language proposal regarding PA rates and a recommendation in that vein is pending.

ISSUE 3: IN-HOME SUPPORTIVE SERVICES, REVISIONS TO SB 72

Background. SB 72/Committee on the Budget (Chapter 8, Statutes of 2011) was the Human Services trailer bill adopted as part of the March 2011 Budget Package. SB 72 made the following changes to the In-Home Supportive Services Program:

- **Medical Certification.** Requires applicants for and recipients of IHSS to obtain certification from a licensed health care professional, as specified, declaring that the applicant or recipient is unable to perform one or more activities of daily living independently, and that without one or more IHSS services, the applicant or recipient is at risk of placement in out-of-home care.

- **Community First Choice Option.** Requires the Department of Health Care Services to assess and determine whether it would be cost-efficient for the state to exercise the Community First Choice Option made available under section 1915(k) of the federal Social Security Act (42 U.S.C. Sec. 1396n(k). This new state plan option becomes available October 1, 2011. States that take up the option receive a six percentage point increase in federal matching payments for costs associated with the covered home and community-based services programs.

- **Medication Dispensing.** Requires the Department of Health Care Services to identify individuals who receive Medi-Cal benefits on a fee-for-service basis and who are at high risk of not taking their medications as prescribed. Requires the Department to report on and evaluate the pilot project. Also allows the Department to terminate the pilot project under specified circumstances. If a savings target is not achieved, an Across The Board Reduction is possible October 1, 2012.

- **Advisory Committees.** Authorizes counties to establish IHSS Advisory Committees that submit recommendations to the county board of supervisors on the preferred mode or modes of service to be utilized in the county. Under existing law, these Advisory Committees are instead required.

May Revision Request. The administration is requesting several pieces of trailer bill language to amend parts of SB 72 as chaptered. Each of these is described below.

1. Changes to ATB Reduction.

- SB 72 requires the DSS to implement a reduction in IHSS authorized hours for recipients beginning October 1, 2012, if the Home and Community Based Medication Dispensing Machine Pilot Project and/or an alternative proposal do not achieve net annual General Fund savings of $140,000,000.
- DSS proposes several amendments to the IHSS reduction authorized by SB 72, including the inclusion of intent language; the elimination of a pre-approval process to exempt certain recipients from the reduction; and the exemption of

recipients receiving services under the Nursing Facility/Acute Hospital Waiver, the In-Home Operations Waiver, the Department of Disability Services Waiver, and the Multi Senior Services Program; from the Across-the-Board reduction.

2. Eliminate Exception for Medical Certification of Need.

- SB 72 requires a medical certification form (MCF), or an acceptable alternative, to be obtained before IHSS can be authorized, unless one of two exceptions are met. Under one of the exceptions (Welfare and Institutions Code Section 12309.1(a)(2)(B)), an MCF would not be required when "the deterioration of the recipient's health or mental health is likely to result in eviction from home, homelessness, or a hazardous living environment." The DSS proposes to eliminate the exception for a medical certification of need relative to the deterioration of the health and mental health of an IHSS applicant/recipient.

3. Repeal WPCS Disallowance.

- SB 72 provides that Waiver Personal Care Services (WPCS) will not be used to replace In Home Supportive Services (IHSS) reduced as a result of the across-the-board reductions under Welfare and Institutions Code (WIC) Sections 12301.03 and 12301.06.
- This proposal ensures that IHSS recipients with extraordinary needs can continue to receive all the Medi-Cal waiver services required to keep them safely in their own homes, and prevent unnecessary institutionalization.
- This proposal enables WPCS recipients to select the most appropriate Waiver services to meet their needs. The original intention of the trailer bill language included in SB 72 was to protect the General Fund from increased expenditures. However, advocates notified the Administration that Waiver participants at the sub-acute level of care, who currently receive 24 hours per day of personal care coverage within the cost neutrality provisions of the waiver, would have no alternative but to replace reduced IHSS service hours with nursing services at a much higher cost; this potential shift from personal care to nursing care would exceed the cost savings originally expected from the proposal. Therefore, the Department is proposing to repeal the WPCS disallowance.

4. Federally Ineligible Providers.

- Chapter 4, Statutes of the 2009-10, Fourth Extraordinary Session; Chapter 17, Statutes of 2009-10, Fourth Extraordinary Session; and Chapter 725, Statutes of 2010, mandate that Department of Justice (DOJ) criminal background checks be performed for all existing and prospective providers as a condition of IHSS enrollment.
- The DSS proposal asserts that it would ensure that the IHSS program meets federal minimum exclusion requirements for Medicaid service providers, thereby ensuring continued federal financial participation for the State.

PANEL

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

Staff Comment and Recommendation:

A set of recommendations is pending regarding these trailer bill proposals.

ISSUE 4: FOSTER CARE RATE INCREASE (ISSUE 604)

May Revision Request. The Governor's May Revision provides funding for a recent court decision which raises Foster Care rates by about 31 percent. In addition, the May Revision proposes $6.6 million ($2.8 million General Fund) to fund a similar rate increase for prospective AAP cases. This would keep AAP rates for prospective cases at the same level as those for Foster Care family homes. The Governor's 2011-12 budget assumes about 3,500 AAP cases would receive this increased payment.

The technical changes effectuating this request are as follows:

> An increase of $27,110,000 ($10,741,000 General Fund and $16,369,000 Federal Trust Fund) is requested to increase payment rates for foster family homes (FFHs) as well as prospective Adoption Assistance Payment (AAP), Kinship Guardianship Assistance Payment (Kin-GAP), and Non-Related Legal Guardian (NRLG) payment rates. As a result of the court order stemming from the Foster Parent Association, et al vs. John A. Wagner, et al court case, effective July 1, 2011, the DSS will implement a new foster family home rate methodology. Although the court order specifically addressed FFH rates, AAP, Kin-GAP, and NRLG subsidy payments are linked to FFH rates as a means of incentivizing long-term placements for children. Under the new DSS methodology, prospective AAP, Kin-GAP, and NRLG payments will be increased in the same manner as FFH rates. Existing AAP, Kin-GAP, and NRLG cases will continue to receive the existing rate, with an annual Consumer Price Index adjustment beginning July 1, 2012.

PANEL

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

Staff Comment and Recommendation:

Staff recommends the adoption of placeholder trailer bill language to effectuate the request forwarded by the administration, with technical discretion allowed to staff to ensure that the language is consistent with the intent of this action.

ISSUE 5: CALWORKS, REVISIONS TO SB 72

Background. SB 72/Committee on the Budget (Chapter 8, Statutes of 2011) was the Human Services trailer bill adopted as part of the March 2011 Budget Package. SB 72 made the following changes to the CalWORKs Program:

- **Reduction in Time Limit.** Reduces the number of months parents or caregiver relatives can receive aid from 60 to 48.

- **Grant Reduction.** Reduces grants in effect on July 1, 2009 by an additional 8 percent. As a result, maximum grants for a family of three in a high-cost county would be lowered from $694 to $638 per month.

- **Additional Grant Reductions for Cases Serving Only Children.** Further reduces, by 5 percent increments (for a maximum total reduction of 15 percent), grants for children in cases without an aided adult who have received assistance for more than 60, 72, and 84 months, respectively.

- **Reduction in Single Allocation.** Lowers funding for these purposes in the counties' "single allocation." Correspondingly, extends and expands upon exemptions from welfare-to-work requirements for parents of very young children (i.e., one child up to the age of 35 months or two children under the age of six years). Also grants counties flexibility to redirect between and among specified funding for employment assistance, substance abuse treatment, or mental health services during that same year;

- **CalLearn Suspension.** Suspends for one year the case management services and sanctions otherwise available under the CalLearn program for pregnant and parenting teenagers. These teenagers would instead be eligible for regular welfare-to-work services that are available in their counties. They would also continue to be eligible for supplements or bonuses related to progress in school, as specified.

- **Change in Earned Income Disregard.** Amends the state's current policy of disregarding the first $225 of earned income and 50 percent of each dollar earned beyond $225 when calculating a family's monthly grant. Instead disregards the first $112 of earned income and then 50 percent of all other relevant earnings. As a result, some families who currently have qualifying earnings would have their grants reduced.

- **Support for Subsidized Employment.** Makes cost-neutral changes to expand the state's participation in an existing subsidized employment program and align the program more closely with operation of a related program that existed under the federal American Recovery and Reinvestment Act of 2009's (Public Law 111-5) Emergency Contingency Fund. As a result, the state would participate in half of the costs of the subsidized employment participant's wages, up to the amount that the state would instead have paid for the family's assistance grant.

May Revision Request. The administration is requesting several pieces of trailer bill language to amend parts of SB 72 as chaptered. Each of these is described below.

1. Pure 48-Month Time Limit.

- SB 72 creates two different ways of counting cash aid received. For CalWORKs recipients, cash aid received in California would be counted back to January 1, 1998, and cash aid received in other states would be counted back to September 1, 1996 (when some states implemented the TANF program).
- The proposed changes seek to ensure that California continues with its current method of counting time on aid and changes the lifetime limits from 60 months to 48 months in California. Any months of TANF aid received in California, any other state, and in Tribal TANF from January 1998 forward would count towards the 48 month lifetime limit unless the adult recipient meets any of the time limit exemptions.
- The changes seek to ensure that months of cash aid received are equitably counted for all CalWORKs applicants and recipients. The changes to the SB 72 language will also lift the burden on the counties by using a single methodology for counting time on aid as opposed to two different ways of counting months of cash aid received depending on the source (where it was received).

2. CalLearn - Eliminate Automatic Exemptions for Teens.

- Currently, Cal-Learn teens who are attending school are mandatory participants to ensure they receive the case management and support services (e.g. child care) they need to continue going to school. SB 72 inadvertently provided an exemption to Welfare-to-Work (WTW) for the Cal-Learn teens who are attending school during the Cal-Learn suspension.
- If DSS automatically exempted teen parents from WTW who are going to school, they would not qualify for the WTW case management and supportive services they need to attend school. DSS and stakeholders did not want the teen parents to have to stop going to school in order to get WTW services. Therefore, the amendments require teen parents who are attending school to be enrolled in WTW so they could get the WTW services they need from the beginning.
- The sought change would prevent interruptions in services to pregnant and parenting teens.

3. Eligibility for Pregnant Teens.

- Currently, pregnant-only teens who are not otherwise eligible for CalWORKs cash aid are eligible for aid in their first or second trimester of pregnancy, whereas other pregnant-only women are not eligible until their third trimester of pregnancy. SB 72 removed this provision as part of amendments necessary to effectuate the Cal-Learn suspension.
- This change would only affect pregnant and parenting teens under age 20. DSS is proposing to allow pregnant teens that are participating in the Cal-Learn

program prior to July 1, 2011 to continue as a CalWORKs recipient even if they do not have any other children and have not reached the third trimester of pregnancy. If this change is not implemented, Cal-Learn teens who have not reached the third trimester of pregnancy and have no other children would be removed from the program, and would have to re-apply when they meet eligibility requirements. This would create an additional administrative burden on counties and cause unnecessary hardship to the pregnant teens.

- The change seeks to maintain continuity for pregnant teens transitioning from Cal-Learn to Welfare-to-Work.

4. Child Support Collections and Overpayment Recoveries.

- SB 72 amended Section 11487 of the Welfare and Institutions (W&I) Code to specify that whenever any aid payments are repaid to the state, the state would be entitled to the amount of the recovery, except for any funds expended by counties or the federal government. It further suspends the counties' share of the funds they are entitled to receive in FY 2011-12 and directs it to the state.
- The language conflicts with other sections of W&I Code, which requires counties, not DSS, to recover CalWORKs overpayments from individuals who had received too much aid payments. This creates a conflict with existing state statutory authority for the counties to collect incorrect aid payments made to CalWORKs program recipients. In FY 2009-10, the total amount of CalWORKs overpayments collected by the counties was approximately $58 million.
- The state does not receive or collect administrative or client caused CalWORKs overpayments from individuals who had received incorrect aid payments; this process is administered by all 58 counties within the state. The language as written incorrectly refers to recovery of aid payments by the state, rather than the counties, which conflicts with other sections of W&I Code that require counties to collect CalWORKs overpayments. The language needs to be amended to separately address the Department of Child Support Services' new requirements for recovery of child support payments to not affect DSS' existing statutory requirements on recovery of CalWORKs overpayments.

5. AB 98 Subsidized Employment.

- AB 98/Niello (Chapter 589, Statutes of 2007) limited wage subsidies to current CalWORKs recipients participating in Welfare-to-Work (WTW). SB 72 expanded the eligible population for AB 98 to include individuals who have exhausted their 48-month CalWORKs time limit and are in the Safety Net. Further, individuals may continue to participate in an AB 98 subsidized employment program if the family becomes ineligible for CalWORKs due to the subsidized employment income.
- The amendment accommodates the new 48-month time limit for receipt of CalWORKs benefits. During the development of the expanded AB 98 subsidized employment language in SB 72, the Administration requested that this section also be amended to remove the requirement that individuals who are participating in AB 98 subsidized employment must also participate in community service. This amendment could not be made to SB 72 before it was passed by

the Legislature. This change is necessary to ensure that individuals' ability to participate in subsidized employment is not negatively impacted by a requirement to also participate in community service.

PANEL

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

Staff Comment and Recommendation:

A set of recommendations is pending regarding these trailer bill proposals.